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UNITED STATES DISTRICT COURT

FOR THE NORTHERN DISTRICT OF CALIFORNIA

IN RE YAHOO! INC.  
SHAREHOLDER DERIVATIVE  
LITIGATION

Lead Case No. 5:17-cv-00787-LHK

(Consolidated with No. 5:17-cv-00810-LHK)

This Document Relates To:

ALL ACTIONS.

STIPULATION AND ~~PROPOSED~~ ORDER  
REGARDING VOLUNTARY DISMISSAL  
OF ACTION

Hon. Lucy H. Koh  
Courtroom: 8, 4th Floor

Plaintiffs David Summer, Jay Bowser and Edith Liss (collectively, "Plaintiffs"), individual defendants Marissa A. Mayer, David Filo, Kenneth A. Goldman, Eric K. Brandt, Maynard G. Webb, Jr., Thomas J. McInerney, Jane E. Shaw, Catherine J. Friedman, Tor R. Braham, Eddy W. Hartenstein, Richard S. Hill, Jeffrey C. Smith, Max R. Levchin, Susan M. James, Charles R. Schwab, H. Lee Scott, Jr., and Peter Liguori, and nominal defendant Altaba Inc., formerly known as Yahoo! Inc. ("Yahoo"), hereby stipulate and agree as follows:

WHEREAS, on February 16 and 17, 2017, two derivative actions were filed in this Court on behalf of Yahoo, and the cases were consolidated on May 15, 2017;

WHEREAS, on July 6, 2017, Plaintiffs filed a Verified Consolidated Stockholder Derivative Complaint, which included information derived from certain books and records produced by Yahoo pursuant to section 220 of the Delaware General Corporation Law;

1 WHEREAS, on September 25, 2017, the Court issued an order (i) staying this derivative  
2 Action until entry of final judgments in *In re Yahoo! Inc. Customer Data Security Breach*  
3 *Litigation*, No. 16-MD-02752, and *In re Yahoo! Inc. Securities Litigation*, Case No. 5:17-cv-  
4 00373-LHK; and (ii) directing the clerk to administratively close the file (without affecting the  
5 rights of the parties);

6 WHEREAS, in addition to this Action, a related consolidated shareholder derivative  
7 action was brought in the Superior Court of the State of California County of Santa Clara (the  
8 "California State Court"), captioned *In re Yahoo! Inc. Shareholder Litigation*, Lead Case No. 17-  
9 CV-307054 (the "California State Court Action");

10 WHEREAS, another related shareholder derivative action was brought in the Delaware  
11 Court of Chancery (the "Delaware Court"), captioned *Oklahoma Firefighters Pension and*  
12 *Retirement System v. Brandt, et al.*, C.A. No. 2017-0133-SG (the "Delaware Action"), which was  
13 stayed as the Delaware Plaintiff and its counsel agreed to jointly prosecute the action with co-  
14 lead counsel in the California State Court Action;

15 WHEREAS, on May 17, 2017, the plaintiffs in the California State Court Action moved  
16 for a preliminary injunction to enjoin the stockholder vote on Yahoo's sale of its operating  
17 business to Verizon Communications Inc., until additional disclosures were made;

18 WHEREAS, on June 6, 2017, following expedited discovery and briefing, the California  
19 State Court held a preliminary injunction hearing, and granted in part and denied in part the  
20 motion for a preliminary injunction. Following the hearing, Yahoo made additional disclosures,  
21 the Yahoo stockholders approved the sale, and the transaction closed;

22 WHEREAS, on August 3, 2017, the plaintiffs in the California State Court Action filed a  
23 consolidated derivative complaint;

24 WHEREAS, on November 2, 2017, following briefing and a hearing, the California State  
25 Court sustained the defendants' demurrer with leave to amend;

26 WHEREAS, on January 2, 2018, the plaintiffs in the California State Court Action filed  
27 an amended consolidated derivative complaint;

1 WHEREAS, the parties fully briefed the defendants' renewed demurrer to that amended  
2 complaint;

3 WHEREAS, on April 5, 2018, the parties participated in a full day mediation;

4 WHEREAS, on September 14, 2018, the parties to the California State Court Action, the  
5 Delaware Action, and this Action executed a Stipulation of Settlement resolving all of the  
6 derivative actions for \$29 million (the "Settlement");

7 WHEREAS, the parties agreed to present the proposed Settlement for approval to the  
8 California State Court;

9 WHEREAS, on October 26, 2018, after briefing and a hearing, the California State Court  
10 granted preliminary approval of the proposed Settlement, and approved a long-form Notice of  
11 Hearing and Proposed Derivative Settlement, a summary notice regarding the same, and notice  
12 of the Settlement and its terms was accordingly provided to the stockholders;

13 WHEREAS, the California State Court held a final approval hearing on January 4, 2019,  
14 at which any interested stockholder was afforded the opportunity to be heard regarding the  
15 Settlement, thereby fulfilling applicable notice requirements, and there were no objections to the  
16 Settlement;

17 WHEREAS, on January 9, 2019, the California State Court entered an Order and Final  
18 Judgment approving the Settlement (attached hereto as Exhibits A and B); and

19 WHEREAS, pursuant to the parties' Settlement, the parties to the Delaware Action  
20 thereafter stipulated to the dismissal of the Delaware Action, and the Delaware Court entered an  
21 order dismissing the Delaware Action on January 11, 2019 (attached hereto as Exhibit C).

22 IT IS THEREFORE STIPULATED AND AGREED, by the parties through their  
23 undersigned counsel, and subject to the approval of the Court, as follows:

24 1. Pursuant to the parties' Settlement, the above-captioned Action shall be dismissed  
25 with prejudice; and

26 ///

27 ///

2. Except as provided for in the Settlement, each party is to bear his, her or its own costs.

3. The Clerk shall close the file.

Dated: January 15, 2019

Respectfully submitted,

*/s/ Shane P. Sanders*

SHANE P. SANDERS

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*Lead Counsel for Plaintiffs*

Dated: January 15, 2019

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*/s/ Robert W. May*

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*Schwab, H. Lee Scott, Jr., and Peter Liguori,  
and nominal defendant Altaba Inc.*

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1 **SIGNATURE ATTESTATION**

2 I, Shane P. Sanders, am the ECF user whose identification and password are being used  
3 to file the foregoing Stipulation and [Proposed] Order Regarding Voluntary Dismissal of Action.  
4 In compliance with Civil L.R. 5-1(i)(3), I hereby attest that concurrence in the filing of this  
5 document has been obtained.

6  
7 Dated: January 15, 2019

*/s/ Shane P. Sanders*

SHANE P. SANDERS

8  
9 \*\*\*\*\*

10  
11 **ORDER**

12  
13 **PURSUANT TO STIPULATION, IT IS SO ORDERED.**

14  
15 DATED: January 28, 2019

*Lucy H. Koh*

HON. LUCY H. KOH  
UNITED STATES DISTRICT COURT

1 **CERTIFICATE OF SERVICE**

2 I, undersign, certify and declare that I am over the age of 18 years, employed in the  
3 County of San Diego, State of California and not a party of this action. My business address is  
4 5040 Shoreham Place, San Diego, California 92122.

5 I hereby certify that on January 15, 2019, I electronically filed the foregoing document  
6 with the Clerk of Court using the CM/ECF system which will send notification of such filing to  
7 the e-mail addresses denoted on the Electronic Mail Notice List.

8 I declare under penalty of perjury under the laws of the United States of American that  
9 the foregoing is true and correct. Executed on January 15, 2019, San Diego, California.

10  
11 */s/ Shane P. Sanders*

12 \_\_\_\_\_  
SHANE P. SANDERS